

**AGENDA ITEM 3b
PUBLIC AGENCY FINDINGS HIGHLIGHTS
AS OF JUNE 30, 2010**

| Highlights of 2009-10 Public Agency Review Findings | |
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| COMPENSATION FINDINGS: | |
| <ul style="list-style-type: none"> • <u>Alameda County Transportation Improvement Authority</u>: The Authority increased one employee's base payrate and regular earnings by including employer paid deferred compensation in the amount of \$20,500 per year. These items do not meet the definition of reportable compensation. Status: IN PROGRESS. Employer compliance in progress. | |
| <ul style="list-style-type: none"> • <u>Bear Valley Community Services District</u>: The vacation payoff and the sick time payoff for an employee totaled \$21,619.67. The District reported \$2,389.12 as regular earnings and the remaining \$19,230.55 as special compensation. The vacation and sick leave cash outs were not reportable as regular earnings or as special compensation. Status: IN PROGRESS. Employer compliance in progress. | |
| <ul style="list-style-type: none"> • <u>City of Manhattan Beach</u>: The authorized, reportable base salary for an individual was \$19,957; however, the City reported \$21,457. The \$1,500 difference was due to the inclusion of employer paid deferred compensation in the base salary reported. Because payrate was over-reported, earnings were also over-reported. A similar finding was noted in the prior review completed in 2001. Status: IN PROGRESS. Employer compliance in progress. | |
| <ul style="list-style-type: none"> • <u>Metropolitan Cooperative Library System</u>: One sampled employee received bonus pay in 2007 and 2008 which was paid and reported as special compensation. However, bonus pay was not available to all members of the group or class and not authorized in a written labor agreement. Status: IN PROGRESS. Employer compliance in progress. | |
| <ul style="list-style-type: none"> • <u>Oakland City Housing Authority</u>: One employee received a 5 percent performance pay increase during a closed session meeting in January 2009, retroactive to July 2007. The performance pay was additional compensation to the normal salary increase. The individual was the only employee subject to the pay increase; therefore, the pay was not reportable. Status: IN PROGRESS. Employer compliance in progress. | |
| <ul style="list-style-type: none"> • <u>San Francisco County Transportation Authority</u>: The Authority granted lump sum payments called "merit earnings" to employees granted a merit based salary adjustment that ranged from \$2,000 to \$15,000 per employee and reported it to CalPERS as special compensation. The Authority's merit earnings are not reportable to CalPERS as they are not specified within a written labor policy or agreement. Status: IN PROGRESS. Employer compliance in progress. | |

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ENROLLMENT FINDINGS:

- City of Walnut Creek: The City erroneously enrolled nine employees of an affiliated entity into CalPERS membership. The City should ensure only employees of the City are enrolled for retirement benefits.

Status: **IN PROGRESS**. Employer Services Division, Membership Analysis and Design, has completed its review. This issue is now in the Contract Unit awaiting a new agency contract with the joint power authority affiliated with the City.

- City of San Bruno: The contract between the Board of Administration of CalPERS and the Board of Directors of the City excludes hourly basis employees from CalPERS membership; however, five hourly employees were incorrectly enrolled into membership.

Status: **COMPLETE**. Excluded employees have been deleted from the system and their payroll has been backed out.

- Lompico County Water District: Testing of temporary/part-time employees revealed the District did not timely enroll, or did not enroll, three employees into CalPERS membership. Employees must be enrolled in CalPERS membership upon meeting the CalPERS membership criteria irrespective of any probationary period.

Status: **IN PROGRESS**. Employer compliance in progress.

- City of Manhattan Beach: The City did not enroll and report eight temporary/part-time employees who met CalPERS membership eligibility, and did not timely enroll four eligible employees. Three of the eight employees not enrolled and reported worked directly for the City and five worked for the City through a temporary employment agency. A similar finding was noted in the prior review completed in 2001.

Status: **IN PROGRESS**. Employer compliance in progress.

- Oakland City Housing Authority: The Authority directly hires temporary/part-time employees and has temporary/part-time employees through temporary employment agencies. We noted the Authority did not enroll all eligible employees into CalPERS membership for eleven out of eleven individuals tested.

Status: **IN PROGRESS**. Employer compliance in progress.

- San Dieguito Water District: The District had a relationship with the City of Encinitas (City) where the two agencies shared employees. We noted that the District and the City had separate contracts with CalPERS. Eligible employees of the District were not properly enrolled and earnings were not reported by the District. In addition, the City employees were incorrectly enrolled and earnings were reported by the District.

Status: **IN PROGRESS**. Employer compliance in progress.

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UNUSED SICK LEAVE FINDING:

- City of Sand City: An employee was credited with 443.96 days of unused sick leave. However, records provided by the City showed the employee retired with a balance of 443.96 unused sick hours which converted to 55.495 days of sick leave. The member's service credit was overstated by 388.465 days.

Status: **COMPLETE**. Employer provided an amended certification and Benefit Services Division has processed an adjustment to the retirees monthly retirement allowance.